

RECORDATION NO. 8751 Filed & Recorded



MAR 18 1977 - 10 10 AM

INTERSTATE COMMERCE COMMISSION

8751-A
RECORDATION NO. Filed & Recorded

THOMAS J. ALLEN
DIANE KOHLER-RAUSCH
JOAN A. SCHRAMM
ASSISTANT SECRETARIES

DIRECT DIAL NUMBER
312/454-6534

8751-B

MAR 18 1977 - 10 10 AM

MESSENGER
Interstate Commerce Commission
Washington, D. C.
To: Mr. Robert L. Oswald, Secretary
Gentlemen:

Enclosed for recordation pursuant to Section 20c of the Interstate Commerce Act are counterparts of the following:

- (1) Reconstruction and Conditional Sale Agreement dated as of 1/1/77, among American National Bank and Trust Company of Chicago, Chicago and North Western Transportation Company, and Exchange National Bank of Chicago, owner trustee.

MAR 18 1977 - 10 10 AM

- (2) Lease of Railroad Equipment dated as of 1/1/77, between Chicago and North Western Transportation Company, Lessee, and Exchange National Bank of Chicago.

- (3) Assignment of Lease and Agreement, dated as of 1/1/77, between Exchange National Bank of Chicago, Lessor/Vendee, and American National Bank and Trust Company of Chicago, as Agent/Vendor.

- (4) Security Agreement, dated as of 1/1/77, between Exchange National Bank of Chicago and The Detroit Bank and Trust Company.

- (5) Transfer Agreement, dated as of 1/1/77, between Exchange National Bank of Chicago and American National Bank and Trust Company of Chicago.

The addresses of the parties to the aforementioned agreements are:

Chicago and North Western
Transportation Company
400 West Madison Street
Chicago, Illinois 60606

8751-D

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INTERSTATE COMMERCE COMMISSION

400 WEST MADISON STREET / CHICAGO, ILLINOIS 60606 312/332-2121

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

January 1, 1977

The Detroit Bank & Trust Company,
Fort and Washington Blvd.,
Detroit, Michigan 48231.

Attention of Thomas R. Johnson, Assistant
Vice President

The undersigned proposes to acquire the used railroad equipment described in Annex I hereto (hereinafter called the Hulks) from First National Bank and Trust Company of Evanston and desires to have such Hulks reconstructed pursuant to a Reconstruction and Conditional Sale Agreement dated as of January 1, 1977 (hereinafter called the Agreement), among American National Bank and Trust Company of Chicago, as Agent (hereinafter called the Agent), Chicago and North Western Transportation Company (hereinafter called the Builder) and us. The undersigned proposes to borrow from you pursuant to a Loan Agreement among The Second National Bank of Warren, Madison Bank & Trust Company, City National Bank & Trust Co., you and us, dated as of the date hereof (hereinafter called the Loan Agreement), an amount equal to the purchase price for the Hulks and to grant a security interest in the Hulks to you. The undersigned further proposes to cause the Hulks to be reconstructed by the Builder. In order to cause the Hulks to be reconstructed, the undersigned will enter into a Transfer Agreement with the Agent (hereinafter called the Transfer Agreement) giving the Agent a security interest in the Hulks which security interest shall constitute a second lien on the Hulks subordinate only to the security interest granted to you hereby. The undersigned hereby agrees with you as follows:

1. In order to induce you to enter into the Loan Agreement and the Participation Agreement and to secure the prompt payment of principal of, and interest on, the Notes issued pursuant to the Loan Agreement, the undersigned hereby grants to you a security interest in the Hulks; provided, however, each payment to you by the Agent on each Closing Date (as defined in the Agreement) on account of principal of our indebtedness shall be applied to release your security interest in the Hulks

which are being settled for on such Closing Date pursuant to the Agreement, to the extent of \$35,000 principal amount per Hulk.

2. Upon the occurrence of a Default (as defined in the Loan Agreement) you shall have the right at any time and without further notice to us, to proceed to enforce the security interest created hereby. You shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code applicable to a default by a debtor, and in addition thereto, the rights and remedies provided forth herein.

3. It is understood and agreed that this Agreement is being entered into solely to permit you to effectuate the foregoing and your interests in the Hulks, in present form or as reconstructed, is a security interest and that we shall at all times be the beneficial owner of the same. It is further understood and agreed that we shall have no personal liability under this Agreement, our obligations being solely as set forth in that certain Participation Agreement dated as of January 1, 1977, among you, us, the Builder and the other parties listed at the foot thereof, and the other agreements annexed to such Participation Agreement.

4. We will cause all necessary filings of appropriate financing statements to be made in accordance with the applicable provisions of the Uniform Commercial Code of the States of Illinois and Iowa and in any other state when filing is reasonably requested by you for the purpose of protecting your security interest in the Hulks. We will cause this Agreement to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act. In addition, we will cause the Hulks and their component parts to be segregated and reasonably identifiable while they are in the Builder's possession during reconstruction. As soon as possible after the Reconstruction Cut-Off Date (as defined in the Agreement) and also upon discharge of the entire outstanding indebtedness under the Loan Agreement, we will cause to be filed and recorded in those jurisdictions where this Agreement previously was filed supplements or termination statements releasing those Hulks the security interest in which has been released pursuant to this Agreement.

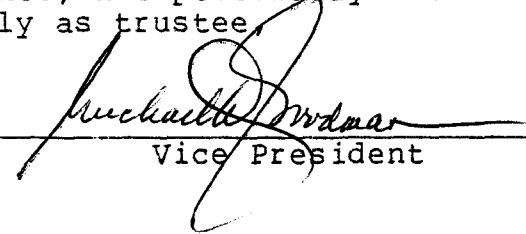
5. It is understood and agreed that this Agreement may be executed by you and us in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart.

If the foregoing is in accordance with your understanding, please sign each of the enclosed counterparts of this letter in the space provided and return one counterpart to us.

Very truly yours,

EXCHANGE NATIONAL BANK OF
CHICAGO, not personally but
solely as trustee

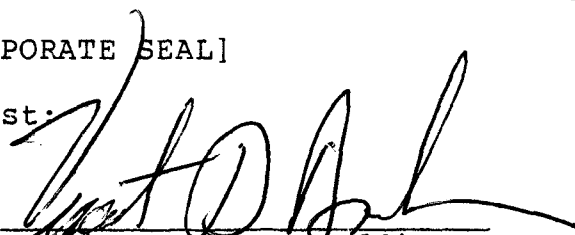
by


Vice President

[CORPORATE SEAL]

Attest:

by


Assistant Trust Officer

ACCEPTED:

THE DETROIT BANK & TRUST COMPANY,

by

Authorized Officer

[Corporate Seal]

Attest:

by

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 16 day of MARCH 1977, before me personally appeared JOSEPH D. GOODMAN, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, that the seal affixed to the foregoing instrument is the corporate seal of said association and that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said association.


Notary Public

[NOTARIAL SEAL]

My commission expires

My Commission Expires May 18, 1980

STATE OF MICHIGAN,)
) ss.:
COUNTY OF ,)

On this day of 1977, before
me personally appeared , to me
personally known, who, being by me duly sworn, says that he
is an Authorized Officer of THE DETROIT BANK & TRUST COMPANY,
that the seal affixed to the foregoing instrument is the
corporate seal of said association and that said instrument
was signed and sealed on behalf of said association by
authority of its Board of Directors, and he acknowledged
that the execution of the foregoing instrument was a free
act and deed of said association.

Notary Public

[NOTARIAL SEAL]

My commission expires

SECURITY AGREEMENT

ANNEX I

<u>Quantity</u>	<u>Description</u>	<u>Bearing UP Road Numbers</u>	
*	Former EMD	130	274
	Model GP-9	169	277
	Locomotive	178	281
	Hulks	181	290
		190	292
		198	301
		214	306
		218	322
		235	323
		251	333
		254	342
		263	346
		268	

* The Hulks purchased by Exchange National Bank of Chicago pursuant to the Hulk Purchase Agreement dated as of January 1, 1977, between Exchange National Bank of Chicago and First National Bank and Trust Company of Evanston.

SECURITY AGREEMENT

January 1, 1977

The Detroit Bank & Trust Company,
Fort and Washington Blvd.,
Detroit, Michigan 48231.

Attention of Thomas R. Johnson, Assistant
Vice President

The undersigned proposes to acquire the used railroad equipment described in Annex I hereto (hereinafter called the Hulks) from First National Bank and Trust Company of Evanston and desires to have such Hulks reconstructed pursuant to a Reconstruction and Conditional Sale Agreement dated as of January 1, 1977 (hereinafter called the Agreement), among American National Bank and Trust Company of Chicago, as Agent (hereinafter called the Agent), Chicago and North Western Transportation Company (hereinafter called the Builder) and us. The undersigned proposes to borrow from you pursuant to a Loan Agreement among The Second National Bank of Warren, Madison Bank & Trust Company, City National Bank & Trust Co., you and us, dated as of the date hereof (hereinafter called the Loan Agreement), an amount equal to the purchase price for the Hulks and to grant a security interest in the Hulks to you. The undersigned further proposes to cause the Hulks to be reconstructed by the Builder. In order to cause the Hulks to be reconstructed, the undersigned will enter into a Transfer Agreement with the Agent (hereinafter called the Transfer Agreement) giving the Agent a security interest in the Hulks which security interest shall constitute a second lien on the Hulks subordinate only to the security interest granted to you hereby. The undersigned hereby agrees with you as follows:

1. In order to induce you to enter into the Loan Agreement and the Participation Agreement and to secure the prompt payment of principal of, and interest on, the Notes issued pursuant to the Loan Agreement, the undersigned hereby grants to you a security interest in the Hulks; provided, however, each payment to you by the Agent on each Closing Date (as defined in the Agreement) on account of principal of our indebtedness shall be applied to release your security interest in the Hulks

which are being settled for on such Closing Date pursuant to the Agreement, to the extent of \$35,000 principal amount per Hulk.

2. Upon the occurrence of a Default (as defined in the Loan Agreement) you shall have the right at any time and without further notice to us, to proceed to enforce the security interest created hereby. You shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code applicable to a default by a debtor, and in addition thereto, the rights and remedies provided forth herein.

3. It is understood and agreed that this Agreement is being entered into solely to permit you to effectuate the foregoing and your interests in the Hulks, in present form or as reconstructed, is a security interest and that we shall at all times be the beneficial owner of the same. It is further understood and agreed that we shall have no personal liability under this Agreement, our obligations being solely as set forth in that certain Participation Agreement dated as of January 1, 1977, among you, us, the Builder and the other parties listed at the foot thereof, and the other agreements annexed to such Participation Agreement.

4. We will cause all necessary filings of appropriate financing statements to be made in accordance with the applicable provisions of the Uniform Commercial Code of the States of Illinois and Iowa and in any other state when filing is reasonably requested by you for the purpose of protecting your security interest in the Hulks. We will cause this Agreement to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act. In addition, we will cause the Hulks and their component parts to be segregated and reasonably identifiable while they are in the Builder's possession during reconstruction. As soon as possible after the Reconstruction Cut-Off Date (as defined in the Agreement) and also upon discharge of the entire outstanding indebtedness under the Loan Agreement, we will cause to be filed and recorded in those jurisdictions where this Agreement previously was filed supplements or termination statements releasing those Hulks the security interest in which has been released pursuant to this Agreement.

5. It is understood and agreed that this Agreement may be executed by you and us in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart.

If the foregoing is in accordance with your understanding, please sign each of the enclosed counterparts of this letter in the space provided and return one counterpart to us.

Very truly yours,

EXCHANGE NATIONAL BANK OF
CHICAGO, not personally but
solely as trustee,

by

[CORPORATE SEAL]

Vice President

Attest:

by

Assistant Trust Officer

ACCEPTED:

THE DETROIT BANK & TRUST COMPANY,

by

[Signature]

Authorized Officer

[Corporate Seal]

Attest:

by

[Signature]

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1977, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, that the seal affixed to the foregoing instrument is the corporate seal of said association and that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said association.


Notary Public

[NOTARIAL SEAL]

My commission expires

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this 16 day of March 1977, before
me personally appeared D. James Watson, Sr., to me
personally known, who, being by me duly sworn, says that he
is an Authorized Officer of THE DETROIT BANK & TRUST COMPANY,
that the seal affixed to the foregoing instrument is the
corporate seal of said association and that said instrument
was signed and sealed on behalf of said association by
authority of its Board of Directors, and he acknowledged
that the execution of the foregoing instrument was a free
act and deed of said association.



Notary Public

[NOTARIAL SEAL]

My commission expires

LYNN A. WILSON
Notary Public, Macomb County, Mich.
Acting in Wayne County, Mich.
My Commission Expires Oct. 26, 1980

SECURITY AGREEMENT

ANNEX I

<u>Quantity</u>	<u>Description</u>	<u>Bearing UP Road Numbers</u>	
*	Former EMD	130	274
	Model GP-9	169	277
	Locomotive	178	281
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